

The background of the slide features a large, faint watermark of the Seal of the State of Oregon. The seal is circular and contains an eagle with its wings spread, perched on a shield. Above the eagle, the words "OFFICE OF ECONOMIC ANALYSIS" are visible. Below the eagle, the words "THE UNION" and "1859" are visible. The outer ring of the seal contains the words "STATE OF OREGON".

# The Economic Role of the Public Sector in Rural Oregon

Prepared for:  
House Committee on Economic Development  
and Trade

May 31<sup>st</sup>, 2017

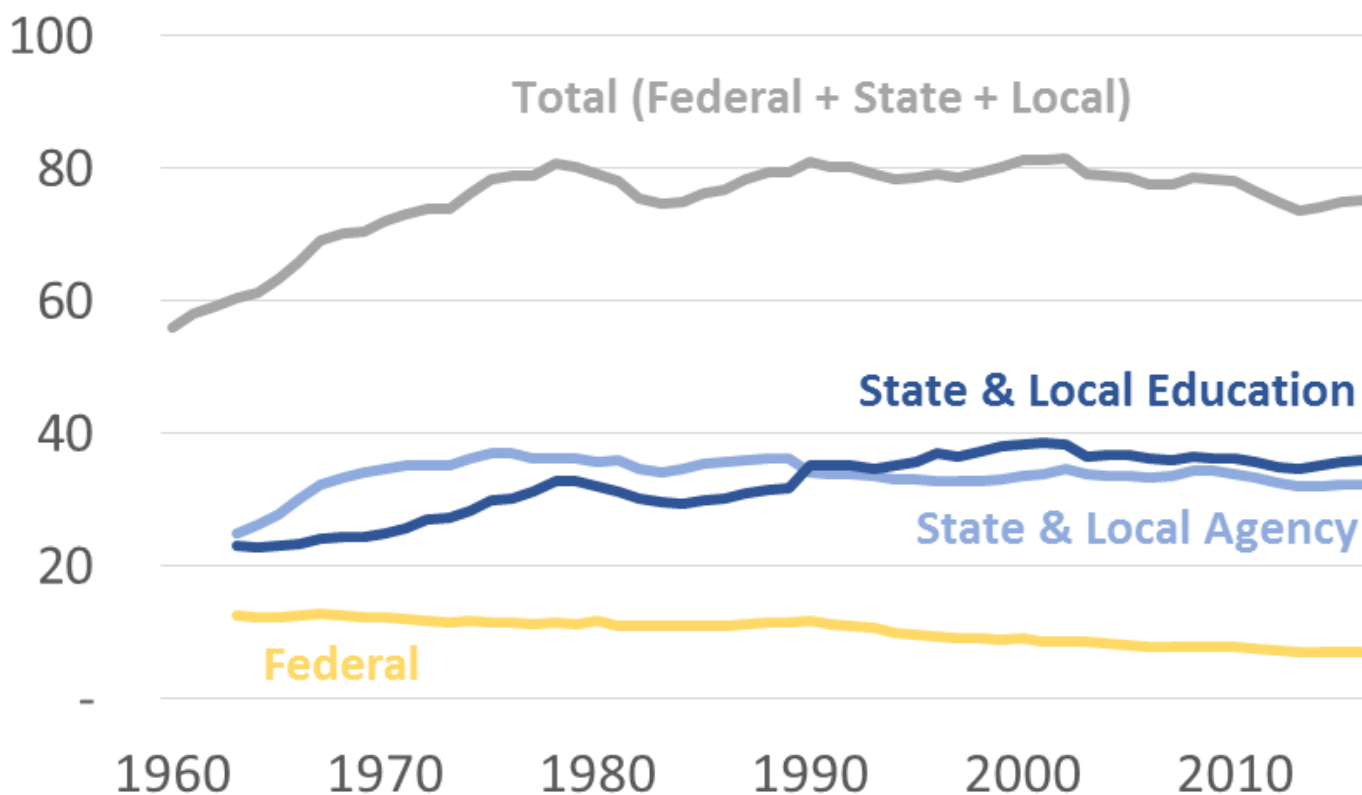
Oregon Office of Economic Analysis  
Mark McMullen  
Josh Lehner



# Share of Govt Workers Has Been Relatively Stable

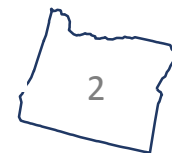
## Government Workers in Oregon

Number of Employees per 1,000 Residents



Series Break 1990, 1950-1989 SIC data level shifted to match NAICS level in 1990s

Latest Data: 2016 | Source: Oregon Employment Department, Oregon Office of Economic Analysis

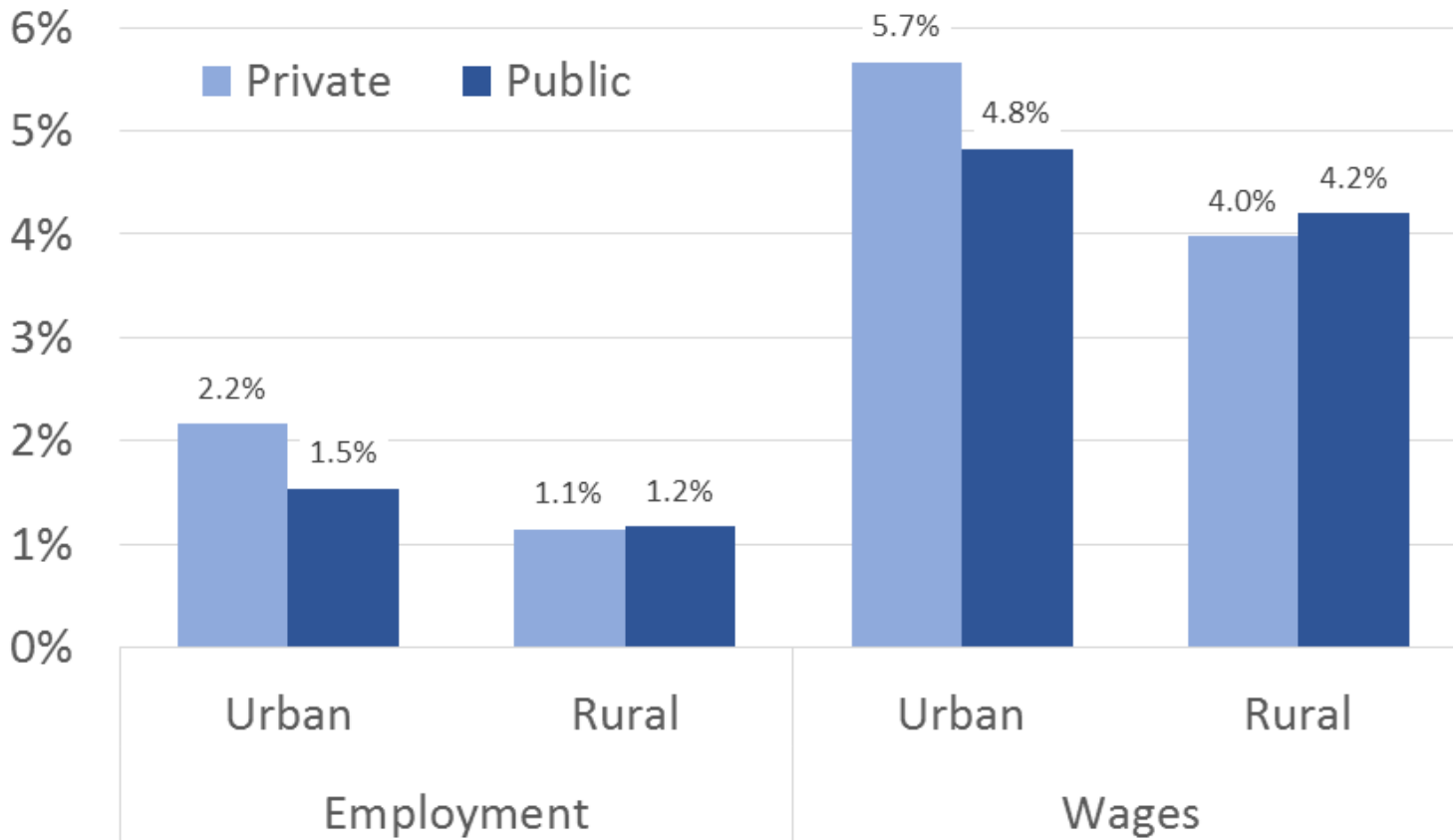




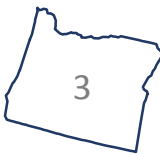
# Keeping Up With the Private Sector in Rural Areas

## Oregon 1986-2016

Annual Growth Rates



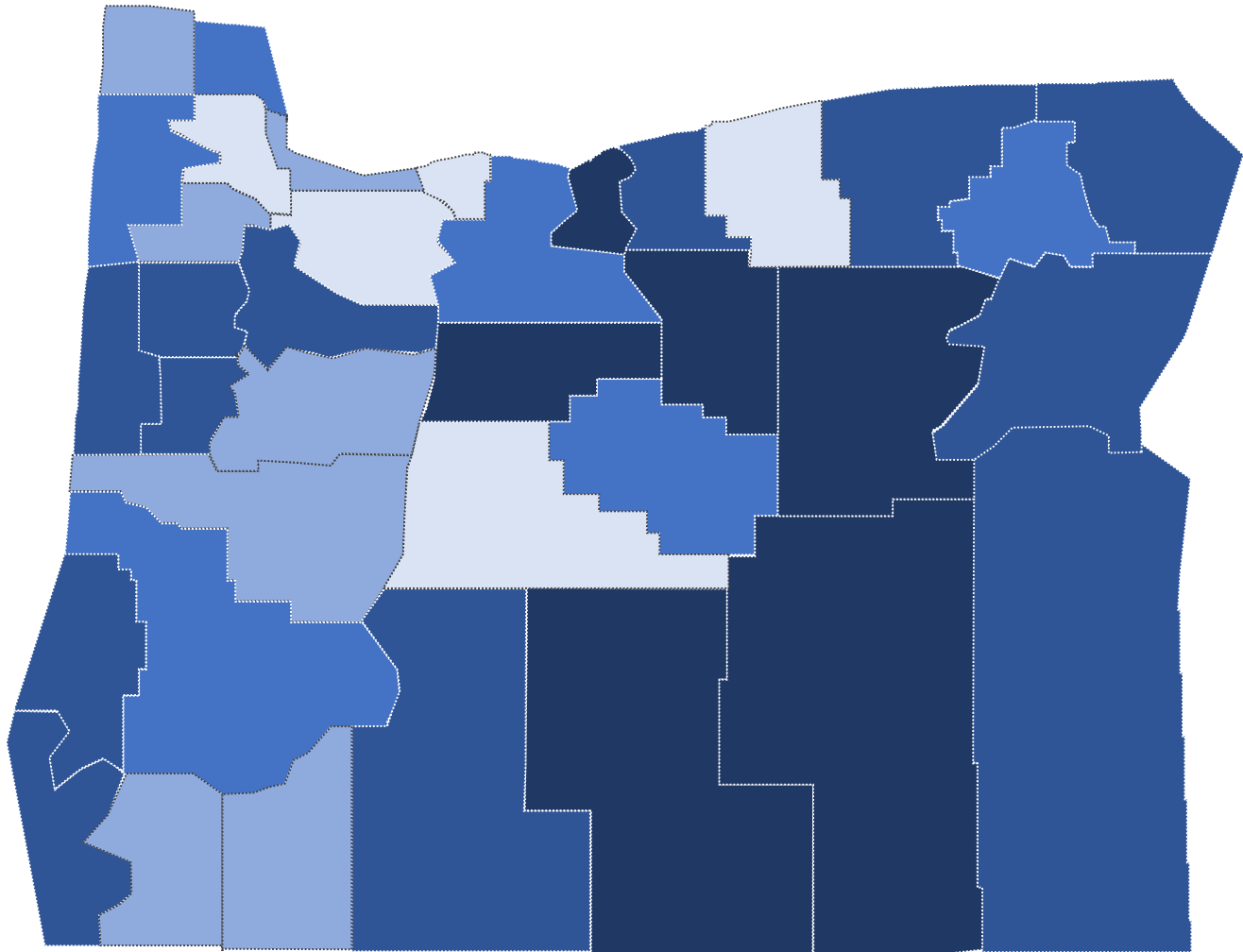
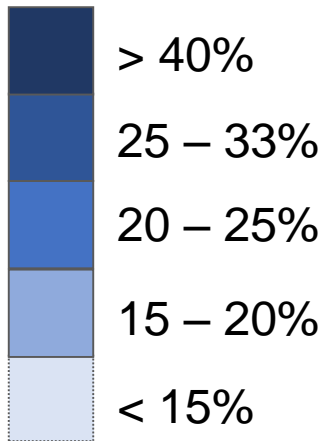
Data: QCEW | Source: BLS, Oregon Emp Dept, Oregon Office of Economic Analysis



# Oregon Public Sector Wages

Share of All Wages, 2016

Oregon: 16.5%



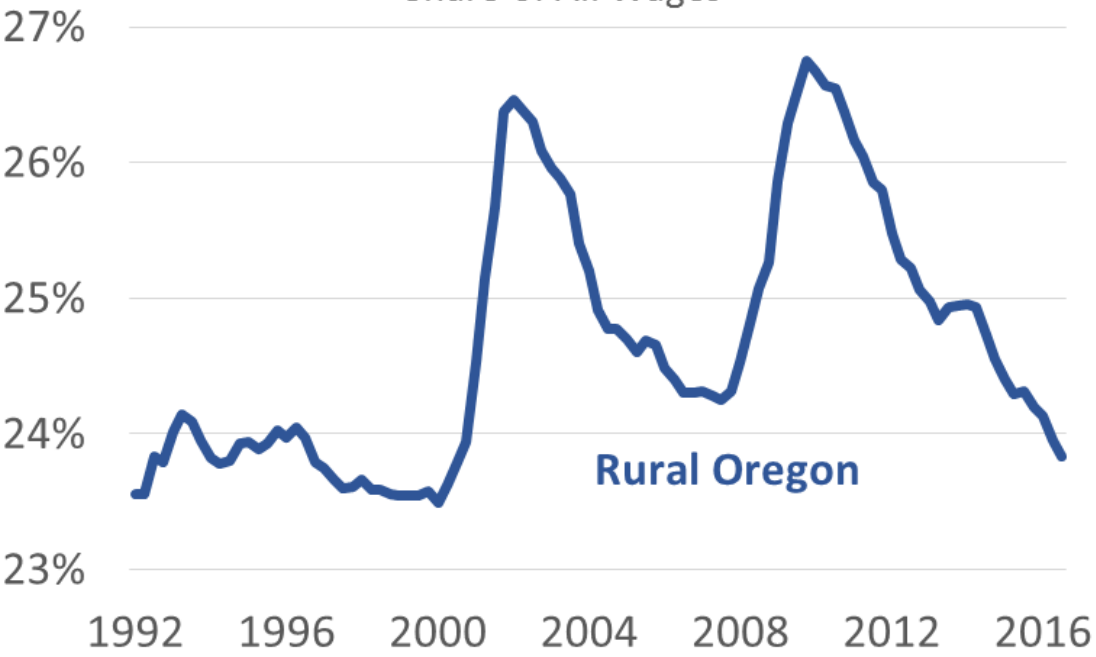


# Recessionary Buffer

## Public Sector Wages

Share of All Wages

Rural Oregon



Data: LEHD through 2016q3 | Source: Census, Oregon Office of Economic Analysis

### Shift to the Public Sector During Recessions

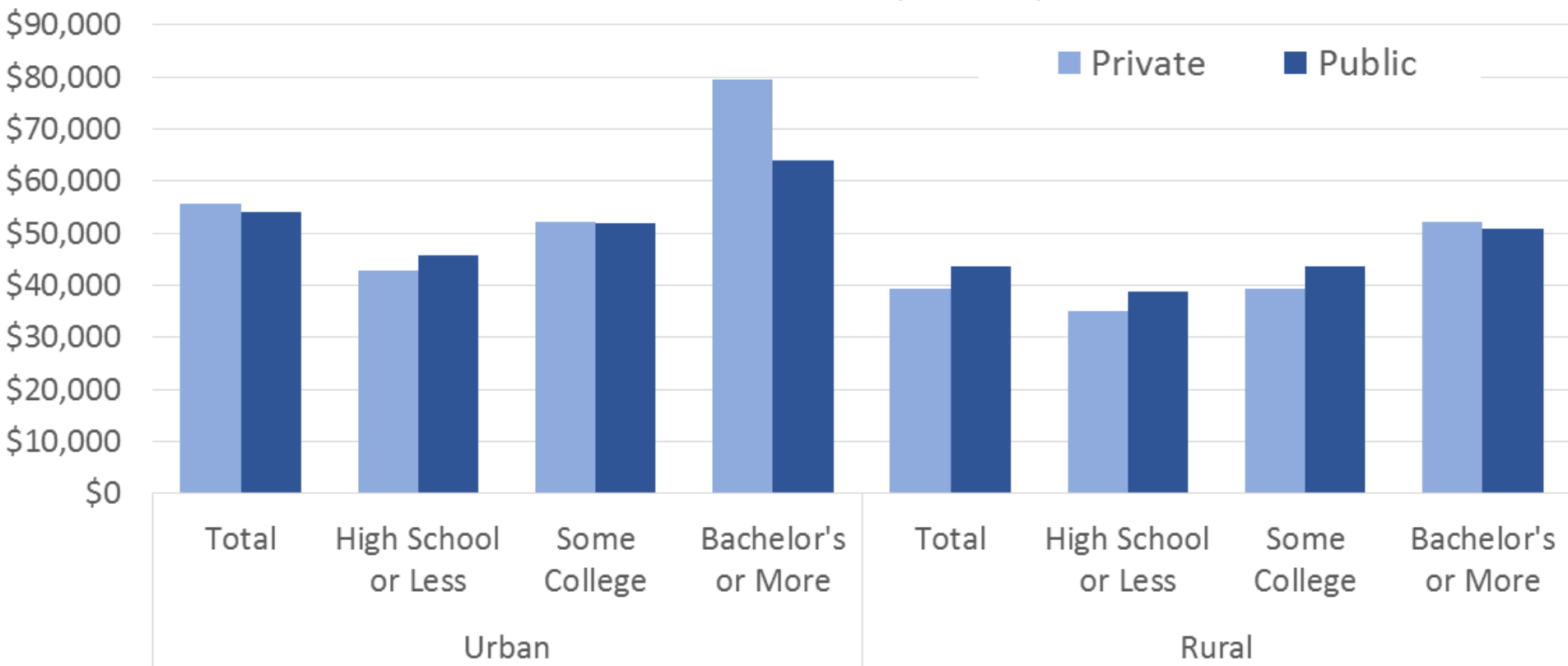
Demand For Public Services	Delayed Funding Losses
Increased Caseloads for Need-Based Healthcare and Income Maintenance Programs (e.g. Medicaid, SNAP, TANF and UI)	Use of Budget Reserves, Fund Sweeps and other Revenue Enhancements at State and Local Level
Increased Enrollment at Public Colleges & Universities	Increased Federal Funds via Automatic Stabilizers and Stimulus Spending
Very Large Cyclical Declines in Key Private Rural Industries (Manufacturing, Construction & Ag)	Property Taxes Are Often Divorced From the Business Cycle (Fundamentals and M50)
	Income Tax Declines Lag Job Losses
	Time Lag For Infrastructure and Other Large Capital Projects



# Tomorrow's Jobs

## Oregon Average Wages

25 Yrs and Older, 2015q4-2016q3



Data: LEHD 2015q4-2016q3 Average | Source: Census, Oregon Office of Economic Analysis





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